

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6302

BILL NUMBER: SB 39

NOTE PREPARED: Apr 29, 2009

BILL AMENDED: Mar 23, 2009

SUBJECT: Tuition Exemption for Purple Heart Recipients.

FIRST AUTHOR: Sen. Delph

FIRST SPONSOR: Rep. Klinker

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Purple Heart*: This bill removes the requirement that a Purple Heart recipient must enter active duty service in the armed forces of the United States or the Indiana National Guard after September 10, 2001, to be eligible for an exemption from tuition and fees at a state educational institution.

Marion County Veteran's Fee Exemption: The bill repeals a provision that excludes a county having a consolidated city from the veterans' vending and peddling licensing fee exemption.

Effective Date: Upon Passage; July 1, 2009.

Explanation of State Expenditures: (Revised) *Purple Heart*: The impact would depend on the number of Indiana veterans who entered active service duty before September 11, 2001, and received a Purple Heart and apply for the tuition and fees exemption after June 30, 2009. The state currently provides the tuition and fees exemption to children of Purple Heart recipients and Purple Heart recipients who entered active duty service after September 10, 2001. For FY 2008, 265 students qualified and the average fee exemption was about \$3,503.

According to the Indiana Department of Veterans Affairs, they have had five applications and approved three tuition and fees exemptions for Purple Heart recipients who entered active duty service after September 10, 2001. There have been about 975 Purple Hearts awarded to servicemen who entered service after September 10, 2001. It is estimated that Indiana has about 1,350 Purple Heart recipients from World War II, 360 from the Korean War, and 2,070 from the Vietnam War. It is unknown the number of veterans who might take advantage of the exemptions. If veterans with a Purple Heart before September 11, 2001, had the same

incidence of tuition and fees exemption, then about 12 people might be granted an exemption the first year.

Assuming a 6% increase in tuition and fees per year and an estimated 12 Purple Heart recipients take advantage of the benefit, the cost of additional exemptions for state education institutions would be about \$45,000 for FY 2010 and \$94,500 for FY 2011.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Marion County Veteran's Fee Exemption:* This provision would have a minimal effect on the revenues from peddler licenses in Marion County. The county currently allows for an exemption on the peddler's license (referred to as transient merchant license) for veterans. The county has issued one license, exempt of fees, due to military service. The peddler's license in Marion County is \$20 annually.

State Agencies Affected: State colleges and universities; State Student Assistance Commission.

Local Agencies Affected: Marion County.

Information Sources: Tom Applegate, Indiana Department of Veterans Affairs, 232-3910; Laurie Gavrin, State Student Assistance Commission, 234-5134.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.